Let & Libya (E)

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EXCISE 28

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ACTION E-15

INFO OCT-01 AF-12 ARA-12 EUR-20 EA-15 NEA-13 CIAE-00

DODE-00 PM-05 H-02 INR-08 L-04 NSAE-00 NSC-10 P-03

RSC-01 PRS-01 SS-20 USIA-12 AID-28 COM-08 FRB-02

TRSY-11 XMB-06 JUS-02 OEP-01 INT-06 SSO-00 RSR-01

STR-08 IO-13 /240 W

018235

P 181534Z JAN 71
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC PRIORITY 7298
INFO USINT ALGIERS PRIORITY
AMEMBASSY BEIRUT
AMEMBASSY BENGHAZI
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CARACAS
AMCONSUL DHAHRAN
AMEMBASSY DJAKARTA
USMISSION BRUSSELS
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LAGOS
AMEMBASSY LONDON
RUFHBG/AMEMBASSY LUXEMBOURG 09
AMEMBASSY MADRID
USMISSION NATO
USMISSION OECD
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMEMBASSY VIENNA

C O N F I D E N T I A L TRIPOLI 101

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DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY cj DATE 6/19/81
PORTIONS DENIED AS INDICATED

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DEPT PASS CAIRO

SUBJECT: PETROLEUM: CURRENT DEVELOPMENTS

REF: TRIPOLI 087

1. AFTER INITIAL DELAY ON PART OF MINISTRY OF PETROLEUM, BUNKER HUNT AND THREE AMERICAN OWNERS OF OASIS GROUP (AMERADA-HESS, CONTINENTAL AND MARATHON) WERE CALLED TO MEET MINPET MABRUK THIS MORNING (JAN 18). THIS WAS SECOND MEETING OF CURRENT SERIES FOR HUNT AND FIRST FOR OASIS OWNERS. OCCIDENTAL, WHICH ALSO ORIGINALLY HAD BEEN SCHEDULED FOR SECOND MEETING TODAY, HAS NOT BEEN GIVEN APPOINTMENT.

2. COMPANY REPS, WHO PROMPTLY BRIEFED AMBASSADOR, AGREED MABRUK APPEARED UNCERTAIN OF STEPS HE WHOULD TAKE IN VIEW OF UNIFIED INDUSTRY POSITION AND CONTINUED ABSENCE IN ALGERIA OF CHIEF LARG OIL NEGOTIATOR, DEPPRIMIN JALLUD. IN RESTRAINED PRESENTATION, MABRUK AGAIN REPEATED MUCH OF WHAT HE HAD SAID TO HUNT AND OXY REPS ON JAN 16 (REFTEL), IN APPARENT EFFORT TO DIVIDE MAJORS AND INDEPENDENTS BY CONCENTRATING ON THEIR COMMERCIAL DIFFERENCES. MABRUK AGAIN REITERATED LARG'S REFUSAL TO NEGOTIATE IN OPEC CONTEXT ITS "SOVERIGN" DEMANDS FOR INCREASE IN TAX RATE, MANDATORY REINVESTMENT AND (THIS TIME) TRANSPORTATION DIFFERENTIAL - ALTHOUGH HE HEDGED SOMEWHAT ON LATTER POINT.

3. MABRUK RAISED SPECTER OF UNSPECIFIED UNILATERAL ACTION AND WAS EQUALLY
VAGUE ABOUT WHAT HE DESIRED NEXT FROM COMPANIES - OTHER THAN AGREEMENT IN PRINCIPAL TO LARG'S ORIGINAL DEMANDS AND SUBSEQUENT NEGOTIATION OF DETAILS. WITHOUT JALLUD'S GUIDANCE, HE ALSO WAS UNABLE TO GIVE COMPANIES DATE FOR NEXT ROUND OF TALKS BUT ASKED THAT THEIR REPRESENTATIVES BE ABAILABLE FOR POSSIBLE FURTHER DISCUSSIONS ON JAN 21, PRIOR TO HIS PROBABLE DEPARTURE FOR OPEC MEETING IN TEHRAN ON JAN 23.

4. COMMENT: WE ARE AWAITING JALLUD'S EXPECTED RETURN TO TRIPOLI LATER TODAY, AND AMBASSADOR'S REQUEST FOR URGENT MEETING WITH HIM REMAINS OUTSTANDING. MEANWHILE, WE HAVE NOTED LOCAL RADIO REPORTS OF ALGERIAN-LIBYAN COMMUNIQUE IN WHICH TWO STATES REPORTED TO HAVE ASSERTED THAT FORCING OIL COMPANIES TO MAKE JOINT RESPONSE TO OPEC

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DEMANDS IS VICTORY FOR OPEC AND THAT CARACAS RESOLUTIONS ARE BASIS FOR SETTLEMENT.

B1, B4

5.

B4, B1

AND. THERE IS NO HINT, SO FAR, OF CRACKS IN COMPANIES' UNITY, AND LOCAL REPS HAVE BEGUN TO CONSIDER WHAT THEIR REACTION SHOULD BE IF LARG ATTEMPTS TO LEGISLATE ITS "SOVEREIGN DEMANDS," WHILE OFFERING TO NEGOTIATE OTHERS IN OPEC. GP-3.
PALMER

NOTE BY OC/T: NOT PASSED CAIRO.

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